



**THE HON PAUL FLETCHER MP**  
Minister for Communications, Cyber Safety and the Arts

**MEDIA RELEASE**

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**Supporting Australia's 5G future**

The Morrison Government is investing almost \$30 million to improve the allocation and management of spectrum and trial 5G use across different industry sectors.

This investment is part of the Morrison Government's Job Maker Digital Business Plan announced today, which will accelerate the digital transformation of Australian businesses and create jobs.

Specific measures include:

- \$22.1 million to establish the Australian 5G Innovation Initiative, to invest in 5G commercial trials and testbeds in key industry sectors such as agriculture, mining, logistics and manufacturing;
- \$1.8 million over two years to invest in systems that allow more efficient spectrum allocation; and
- \$5.3 million over two years to update and simplify the digital spectrum licence system.

Minister for Communications, Cyber Safety and the Arts, the Hon Paul Fletcher MP, said "5G will support a range of industrial, agricultural and commercial outcomes with significant benefits. The Morrison Government's \$22.1 million Australian 5G Innovation Initiative will demonstrate the productivity boosting applications of 5G."

Under the Australian 5G Innovation Initiative, successful grant recipients will develop and test 5G applications, services and products to demonstrate the commercial incentive for businesses to adopt 5G solutions. The Initiative will assist businesses, including small to medium enterprises, demonstrate the wide range of commercial and industrial uses of 5G, which are expected to include applications such as smart factories and warehouses, logistics management and autonomous vehicles.

The Morrison Government is also providing \$7.1 million to the Australian Communications and Media Authority to conduct auctions of radio frequency spectrum, a vital national asset used in the operation of mobile telecommunications networks.

"Spectrum is a critical component in the rollout of 5G. These investments will make the allocation of spectrum more efficient and reduce red tape, so that Australians can experience the benefits of 5G sooner," Minister Fletcher said.

**ENDS**

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## **BACKGROUND**

### **Australian 5G Innovation Initiative**

- The Morrison Government has established the \$22.1 million Australian 5G Innovation Initiative to support the demonstration of 5G use cases to showcase the productivity boosting applications of 5G.
- The Initiative will be an open and competitive grants program with two rounds of funding over three years to support private sector investment in 5G testbeds and trials. Consultations on the scope and grant guidelines will occur before the end of 2020, and the initial grant round is expected to open in the first quarter of 2021.
- This Initiative will assist businesses, including small to medium enterprises, to test and develop 5G applications, services and products. Recipients will pilot ways of addressing technical challenges to help create the commercial incentive for businesses to adopt 5G solutions and for carriers to accelerate their 5G rollouts.
- 5G can support a range of industrial, agricultural and commercial outcomes. There is a wide range of potential applications where 5G adoption will bring significant benefits. 5G can help smart manufacturing solutions, smart farming (including on farm machinery, sensors and drones), telemedicine, robotics, augmented reality, and freight and logistics management solutions. The Initiative provides support to demonstrate the productivity benefits of 5G for these applications.
- The economic impact will be felt over the long term – the Bureau of Communications, Arts and Regional Research has estimated that 5G will add \$1,300 to \$2,000 in gross domestic product per person after the first decade of the rollout.

### **Improved spectrum allocation and management**

- The Morrison Government is providing \$7.1 million to the Australian Communications and Media Authority (ACMA) to invest in digital auction systems that promote efficient allocation of spectrum and to create an updated and simplified digital spectrum licence system.
- The digital auction system will improve ACMA's ability to conduct spectrum auctions, which will bring spectrum to market sooner. The sooner 5G networks are deployed, the sooner they can provide a platform for productivity growth through enhanced digital connectivity and new business applications. The digital spectrum licence system will make it easier for Australian businesses to apply and access spectrum licences.
- These two measures recognise how vital spectrum is to the rollout of 5G. In 2015, the economic value of spectrum to Australia was estimated at \$177 billion over 15 years. Fit-for-purpose legislation and investment in spectrum management and allocation is critical to maximise the public benefit derived from this finite resource.